**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-033** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Direct purchase of hotel accommodations by a Kansas or other out of state religious organization.** |
| **Keywords:** |  |
| **Approval Date:** | **04/09/2002** |

**Body:**

Office of Policy & Research  
  
  
April 9, 2002

XXXXXXXXXXXX  
XXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXX  
  
Dear XXXXXXXXXXX:  
  
I have been asked to respond to your letter dated April 4, 2002. You ask whether the direct purchase of hotel accommodations by a Kansas or other out of state religious organization is exempt from Kansas retailers’ sales tax, with a properly completed exemption certificate.  
  
The answer to your question is yes.  
  
The exemption for religious organizations was enacted last year and is codified at K.S.A. 79-3606(aaa) It exempts:

all sales of tangible personal property and services purchased by a religious organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes.

For exemption, this law requires the religious organization: (1) to qualify as a nonprofit 501(c)(3) organization under the IRC Code, and (2) to use the item or service being purchased “exclusively for religious purposes.”  
  
To implement the new law, the department issued Notice 98-05. Paragraph III construes the term “used exclusively for religious purposes.” It states:

a) Tangible personal property and services that are considered to be used exclusively for religious purposes include, but are not limited to, personal property and services:  
· used exclusively in, or to facilitate, religious worship services by a congregation or church membership while meeting together at a single location.

·used exclusively in, or to facilitate, religious ceremonies.

·used exclusively in, or to facilitate, carrying out the religious work of the organization.  
·used to construct, furnish, equip, remodel, or maintain a facility used exclusively for religious objectives including, but not limited to, a church, church grounds, a church administration building, a church camp, a parsonage, rectory, or convent. Such property must be purchased directly by the religious organization and not through a contractor. *See Kansas City Dist. Advisory Bd. v. Board of Johnson Country Comm’rs,*5 Kan App. 2d 538, 542 (1980).  
·used exclusively to administer, manage, or operate religious facilities or to administer religious activities.

This is a private letter ruling pursuant to K.A.R. 92-19-59. It is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to an accurate determination by the department, this ruling is null and void. This ruling will be revoked by operation of law without further department action if there is a change in the controlling statutes, administrative regulations, revenue rulings or case law that materially effects this determination.  
  
  
Sincerely,  
  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
  
MDC  
  
  
**Date Composed: 04/16/2002 Date Modified: 04/16/2002**